

# WEST VIRGINIA INSURANCE COMMISSION



Commissioner Jane L. Cline

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## CONSUMER SERVICE

1-888-TRY-WVIC (toll-free)

E-mail: [consumer.service@wvinsurance.gov](mailto:consumer.service@wvinsurance.gov)

(Hours: Mon-Fri 8:00-5:00 EST)

### Self-Insured Health Care Plans FAQs

#### *What is a self-insured health care plan?*

Self-insured (or self-funded) health care plans are set up by employers to pay the health care claims of its employees. This means that the employer pays employee health care costs from the employer's own pocket rather than purchasing health insurance from an insurance company.

Self-insured plans are **not** insurance plans and therefore do not come under the authority of the West Virginia Insurance Commission. Accordingly, the West Virginia Insurance Commissioner has no authority to investigate complaints that involve self-insured plans.

#### *Who regulates self-insured plans?*

Self-insured plans are authorized by Congress under a law called ERISA (Employee Retirement Income Security Act) and are regulated by the federal government.

#### *How do I know if my employer-sponsored health care benefit is a self-insured health care plan?*

Most large employers (more than 50 employees) in West Virginia are self-funded. To determine whether your employer is self-insured, you should refer to your benefits handbook. If you are still unsure after reviewing your handbook, ask the people who work in your human resources or union benefits office.

#### *What is a third-party administrator?*

Self-funded employers normally hire third party administrators (TPAs) to keep track of premiums, claims and related paperwork. Some insurance companies contract as TPAs, which can unintentionally disguise the fact that your plan is self-insured. However, it is always the duty of the self-funded employer to determine what claims are paid and what benefits will be offered. TPAs simply follow the employer's orders.

***What if my employer goes out of business or stops offering coverage?***

If your self-insured employer goes out of business or stops offering coverage, you may be responsible for your own medical bills that were incurred for services rendered before the coverage ended.

***What can I do if I have a problem with my self-insured plan?***

To begin with, it is very important that you read and make sure you understand your benefits handbook.

If a claim that you believe should be paid is denied, you should request that the denial be reviewed. When you are notified that your claim has been denied, your plan administrator also must tell you how to submit your denied claim for a full and fair review. Generally, you have sixty (60) days to file an appeal of any decisions of the plan administrator. The plan then has sixty (60) days to respond in writing to your appeal.

If you are in a labor union, the union can file a grievance for you, investigate the employer's financial status, and help you negotiate payments on your past medical bills.

If you are still not satisfied, you may file a complaint with the U.S. Department of Labor. That federal agency investigates complaints about self-funded employers. Contact information for the Department of Labor appears below. Be sure to provide the following information when you initially contact the Department of Labor:

- Your name and daytime telephone number
- A brief explanation of your problem
- Evidence that you have filed a claim for benefits
- Name, address and telephone number of your employer or plan official to be contacted
- Employment dates, birth date, social security number and policy number or other identification number

Consider legal assistance as another resort.

***How can I contact the U.S. Department of Labor?***

U.S. Department of Labor  
Employee Benefits Security Administration  
Washington District Office  
S1335 East-West Highway, Suite 200  
Silver Spring, MD 20910  
Toll-Free Hotline: (866)444-3272  
Internet Address: [www.dol.gov/ebsa](http://www.dol.gov/ebsa)